

Chief, FBID

7 July 1953

Chief, Real Estate and Construction Division

Purchase of Land for FBIS, Okinawa

1. Reference is made to the memorandum dated 1 June 1953 from your Office to this Division concerning the purchase of land for FBIS on Okinawa. Pursuant to the request contained in that memorandum, this Division has investigated and considered the problem presented while concurrently consulting with the Office of General Counsel through [redacted]

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2. Attached hereto is a "Memorandum for the Record" prepared by [redacted] in which the question of the legality of the subject purchase is resolved. In brief, it is the opinion of [redacted] that his Office finds no legal objection to such a purchase provided approval is obtained from the Project Review Committee and the Comptroller. [redacted] further states that the land can be acquired either by direct negotiation with the private owners or through condemnation proceedings.

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3. From a Real Estate viewpoint, this Division is of the opinion that purchase would be the most feasible and economic solution for the following reasons:

a. First and foremost, the United States would be in a better position to protect its present investment through a fee simple title. The investment to date roughly totals \$600,000.

b. Should anticipated needs materialize into the 32 houses contemplated originally, the acreage owned could accommodate the additional facilities without further legal entanglement.

c. Under the present plan of management set up for the Ryukyu Islands, each U. S. Department or Agency are or will be expected to pay an annual rental of 6% of the value of the land occupied. (This is further evidenced by the fact that rent has been paid for the past 3 Fiscal Years, 1951-1953, on the FBIS installations site of 133 acres.) Using the \$10,400 (the amount State Department has quoted) as the fair market value of the land the cost would be amortized in approximately 15 years. However, with the improvements already contracted for, the fair market value of this land would naturally increase in the near future.

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25 YEAR RE-REVIEW

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4. It has been established that the Department of State has gone ahead with its original plan to purchase the land on which WDA construction is taking place. Further, State's representative has informed this Division that should it be decided that FMIS chooses to be incorporated in the over-all purchase plan, notification of such intention should be given that Department not later than the end of this month.

5. It is hoped that these additional factors will enable you to reach a conclusion policy-wise in this matter.

6. In accordance with your request your Okinawa file of pertinent correspondence is also being returned at this time.

/s/

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